

Department of Finance and Administration – Policy 24 Electronic Commerce

Introduction and Background

1. With the widespread growth of electronic commerce and the development of the state portal contact for Internet access, the use of electronic transactions is increasing across state government. Electronic commerce adds increased complexity to operations due to additional technical issues related to computer interfaces, banking settlement requirements, privacy of information, and State liability. This Policy Statement 24 has been developed to provide consistency and compatibility of statewide electronic commerce methods and to facilitate its administration, accountability, and necessary internal control systems.

Applicability and Effective Date

2. This policy statement is issued by the Department of Finance and Administration in accordance with the authority granted under T.C.A. 4-3-1007 and is effective immediately upon approval. The Department of Finance and Administration may develop additional implementation procedures to assist agencies in the administration of electronic commerce processes. Institutions of the University of Tennessee and the Tennessee Board of Regents are excluded from this policy statement.

General Rule

3. The Department of Finance and Administration will maintain statewide contracts providing various methods of electronic commerce including debit cards, electronic checks and credit cards using the Visa or Mastercard network, as well as additional acceptance contracts as needed for Diners Club, Discover, and American Express cards or others that the State may deem necessary. State agencies and departments are required to use these contracts for all forms of electronic commerce including acceptance via use of point-of-sale equipment, telephone, fax, Internet or through charges originating with a third party vendor that is providing services on behalf of the State.

4. State agencies and departments that have department-specific software contracts that will use electronic commerce are also required to use statewide electronic commerce contracts maintained by the Department of Finance and Administration. Agencies and departments should include this requirement in all applicable Requests for Proposals (RFPs).

Reconciliation

5. The Department of Finance and Administration will encourage electronic reporting and centralized payment for all credit card vendors. Agencies and departments are responsible for reconciliation of monthly credit card reports to departmental transactions.

Exceptions

6. Exceptions to this policy must be approved by the Chief of Accounts, Department of Finance and Administration.